

Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 02571 111341Z

54

ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-07 AID-05 TRSE-00 CIAE-00

INR-07 NSAE-00 /034 W

----- 089735

P 111310Z MAR 76

FM AMEMBASSY TEHRAN

TO SECSTATE WAASHDC PRIORITY 6000

UNCLAS TEHRAN 2571

DEPARTMENT PASS EXIMBANK FOR CLAYTON NORRIS

E.O. 11652: NA

TAGS: EFIN,ETRD, ETTN, IR

SUBJ: IRANIAN STATE RAILROADS PROJECT-EXIMBANK FINANCING

1. HAMMOND, MORAN AND EMBASSY FINANCIAL OFFICER TAYLOR CALLED ON IRANIAN STATE RAILROADS(ISR) TECHNICAL VICE PRESIDENT BADI LATE YESTERDAY. ALSO PRESENT WERE DIRECTORS GENERAL OF ISR TRACTION AND PURCHASING DEPT.

2. IT IS CLEAR THAT BECHTEL AND GM SENSE OF URGENCY CONCERNING THIS PROJECT IS UNWARRANTED. A DEADLINE DATE FOR SUBMISSION OF BIDS HAS NOT REPEAT NOT BEEN SET, ACCORDING IT ISR OFFICIALS WE SAW. ALTHOUGH THEY DO EXPECT BECHTEL AND GM TO COME TO TEHRAN LATER THIS MONTH OR EARLY IN APRIL TOTALK ABOUT PROJECT, THEY DO NOT EXPECT OR REQUIRE THAT FINANCING PROPOSALS BE SUBMITTED AT THAT TIME.

3. ALTHOUGH THEY CONFIRM THAT NON-US FIRMS ARE INTERESTED AND ARE EXPECTED TO SUBMIT BIDS, THEY SAY NO FIRM HAS YET SUBMITTED A BID. THEY ARE IN PROCESS OF DISCUSSING GENERALITIES OF PROJECT WITH OTHER FIRMS-AS THEY WILL WITH BECHTEL AND GM.

4. ISR OFFICIALS WERE NOT PREPARED TO TALK ABOUT FINANCING. THEY WILL REVIEW TECHNICAL ASPECTS OF PORPOSALS AND MAKE THEIR RECOMMENDATIONS TO PLAN AND BUDGET ORGANIZATION WHICH WILL MAKE DECISIONS ON FINANCING TAKING INTO ACCOUNT COMPETITIVE OFFERS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEHRAN 02571 111341Z

ISR PREFERENCES BASED ON TECHNICAL ASPECTS OF A PROPOSAL COULD

OUTWIEGH FINANCIAL CONSIDERATIONS. ISR PEOPLE DID SAY, HOWEVER, THAT THEY HAD BEEN TOLD THAT GOVERNMENT CASH WOULD NOT BE AVAILABLE FOR PROJECT AND THAT EXPORT CREDITS WILL BE EXPECTED TO FINANCE FX COSTS OF PROJECT. (THIS IS A THEME WE HAVE HEARD IN NEARLY EVERY MEETING HERE.)

5. ISR OBVIOUSLY KNOWS GM WELL, HAVING PURCHASED ABOUT 300GM LOCOMOTIVES OVER THE PAST SEVERAL YEARS(MANY, THEY NOTED, WITH EXIM FINANCING). AS FOR BECHTEL, THEY "HAVE HEARD THE NAME" BUT KNOW NOTHING ABOUT THE COMPANY.

6. SCHEDULING HAS NOT PERMITTED CALL ON PLAN AND BUDGET ORGANIZATION. IN VIEW OF EARLY STAGE OF PROJECT, UNLIKELY A CALL THERE WOULD HAVE PRODUCED ANY MORE INFO.

7. IN SUM, IT SEEMS FROM HERE THAT IS IS PREMATURE FOR BECHTEL AND GM TO BE PRESSING FOR A PC. WHILE IT IS CLEAR THAT EXPORT CREDITS WILL BE REQUIRED WHEN FORMAL PROPOSALS ARE SUBMITTED, WE WOULD ALL BE IN A BETTER POSITION TO SIZE UP JUST WHAT WOULD BE NEEDED IN TERMS OF FINANCING LATER ON AS PROJECT FIRMS UP.
MIKLOS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RAILROADS, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TEHRAN02571
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760092-0634
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760369/aaaacjbk.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 07 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JUL 2004 by vandyklc>; APPROVED <25 AUG 2004 by wolfsd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IRANIAN STATE RAILROADS PROJECT-EXIMBANK FINANCING
TAGS: EFIN, ETRD, ELTN, IR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006